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Second country cooperation framework for Yemen (2002-2006)

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Introduction

1. The second country cooperation framework (CCF) for the Republic of Yemen for 2002 to 2006 is the result of a consultative process involving the United Nations system, the Government, civil society, and bilateral and multilateral development partners. All stakeholders benefited from a confluence of collaborative planning exercises and frameworks that have been developed over the past 18 months. First and foremost were various government-sponsored initiatives, including the Vision 2025, the second five-year plan (2001-2005), which focuses on poverty reduction as its central goal and the interim poverty reduction strategy paper (IPRSP).

2. During the same period, the United Nations system in Yemen produced its first common country assessment (CCA). The Government and the United Nations subsequently prepared the United Nations Development Assistance Framework (UNDAF). Both of these exercises enjoyed wide participation of development partners, sharpened the focus on priority areas and highlighted the importance of leveraging scarce resources to address the country's pressing development concerns.

3. The Government and UNDP began the process of CCF formulation in March 2000 with the mid-term review of the first CCF attended by all stakeholders, including civil society. A series of evaluations and assessments of all programme areas and management arrangements was ongoing from that date. The CCF also reflects the Administrator's Business Plans, 2000-2003, with its focus on upstream high-quality policy support in proven areas of UNDP comparative advantage, the continued development of strategic partnerships, the application of result-based management and constant vigilance to cost effectiveness.

I. Development situation from a sustainable human development perspective

4. The unification of the People's Democratic Republic of Yemen (PDRY) and the Yemen Arab Republic (YAR), two divergent political, economic and administrative systems, in May 1990, represented a tremendous challenge. Quick on the heels of this historic achievement came the Gulf War and, in 1994, there was an internal challenge to the country's unification. These events exacerbated what were already formidable social and economic problems. The achievement of national unity and the strengthening of state authority were thus put at the forefront of the government agenda.

5. In the last decade, the Government has taken many difficult and bold steps to strengthen the union and ensure its development. On the regional front, border agreements signed with neighbouring countries (Oman, Eritrea and Saudi Arabia) are expected to bring about long awaited economic and trade benefits and to sharpen the policy focus on development. The approval of the local administration law in 2000 and the holding of local elections in 2001 represent further steps in the country's democratic evolution. The creation of the post of Minister of State for Human Rights in the government reorganization of 2001 and the increasing acceptance of a human development and human rights approach in development planning are further positive signs. There have also been some significant improvements in the last decade in the human development situation. Life expectancy at birth, for example, has increased from 46.3 years to 59.8, infant mortality has declined 15 per cent, under-five mortality has been reduced by 31 per cent, and fertility rates have declined from 7.8 live births to 6.5.

6. Yemen nevertheless continues to be one of the least developed countries in the world. With a human development index (HDI) of 0.468 in 1999, Yemen ranked 133 out of a total of 162 countries, according to the *Human Development Report 2001*. The CCA defined and analyzed eight major development challenges: strengthening economic reforms; ending food insecurity; ensuring basic education, especially for girls; improving public and reproductive health; addressing the water crisis; ensuring justice for all; strengthening decentralization; and enhancing national capacity for policy analysis, monitoring, and evaluation.

7. On the macroeconomic front, following the economic and political turmoil of the early 1990s, the Government implemented stringent economic and budgetary measures. These measures, combined with an increase in oil prices in 1999/2000, led to significant (albeit insufficient) improvements in the economic growth rate from 0 in 1994 to 5.1 per cent in 2000. During the same period, the contribution of non-oil sectors to gross domestic product (GDP) increased to 4.7 per cent, inflation was reduced from 50 per cent to 3.9 per cent and the budget deficit declined from 14.5

to 7.1 per cent. The economy unfortunately remains highly dependent on oil and vulnerable to its international price fluctuations and, to a lesser extent, on remittances. The agriculture sector, which employs 58 per cent of the workforce and consumes over 80 per cent of water resources, contributes only 21.7 per cent to GDP.

8. Inadequate access to basic education, primary health care, clean drinking water, sanitation and lack of skills and knowledge among the poor were highlighted in the CCA as among the root causes of poverty in Yemen. Although Yemen is a country with a low rate of HIV infection, there are a number of socio-economic conditions – high rates of illiteracy, low quality and limited access to health-care services, high prevalence of sexually transmitted diseases (STDs), population movements to and from countries with high HIV-infection rates, and inadequate public awareness – that suggest the magnitude of HIV/AIDS could expand rapidly if urgent steps are not taken.

9. There are also serious gender and urban-rural disparities. For example, the infant mortality rate per 1 000 live births is 79 in rural areas and 63 in urban areas. Over 65 per cent of the rural population has no access to health services compared to 32 per cent in urban areas. Nationally, gross primary school enrolment rates are 76 per cent for boys and 40 per cent for girls. In rural areas, 52 per cent of the eligible population is enrolled in primary school, versus 81 per cent in urban areas. Overall adult literacy is estimated at 52 per cent, 68.8 per cent for men and 35.9 per cent for women.

10. The country's total population reached an estimated 18.7 million in 2001 with an annual growth rate of 3.5 per cent – one of the highest in the world. Based on the labour force survey (1999), total unemployment stands at 35 per cent of the economically active population and almost 48 per cent of the population is below 15 years of age. This results in a high dependency ratio of 3.8, increased pressure on basic services and a labour force growing at 4.4 per cent annually.

11. Continued economic growth and improvement in human development could be further hampered by water scarcity. Yemen is one of the most water scarce countries in the world and the depletion of its groundwater resources has reached crisis proportions. Currently, the country pumps 700 million m3 (or 138 per cent) above its annual renewable resource. Some cities and regions are already limiting water use. This situation may have serious economic and social consequences in the near future if not adequately addressed with coordinated actions across government agencies and regions that include strong local participation.

12. Whereas the principle of human rights promotion is increasingly accepted, it is constrained by the lack of capacity and experience in relating human rights perspectives to development. Recent years have witnessed increased freedom of the press and the proliferation of non-governmental organization (NGOs), but capacities, resources, and performance have been uneven. The issues of human rights, justice and security have important economic as well as social dimensions. A lack of security and the uneven application of laws and regulations continue to hamper the country's economic prospects.

13. Yemen also faces the dual challenge of increasing accountability and transparency in government while at the same time pursuing an ambitious decentralization programme. Notwithstanding the commitment of the Government to the process of decentralization and the popular enthusiasm to strengthen democracy, the conceptual and operational frameworks for this bold initiative are yet to be defined. While there are many encouraging signs that the Government fully owns the process of decentralization and pursues it vigorously, it is important to note that the scope of this change is enormous.

14. As part of the first CCF, the national poverty survey (NPS) was conducted in 1999 to facilitate the design of poverty reduction strategies and programmes and to establish monitoring indicators for tracking progress. The survey revealed a substantial increase in poverty levels to 34 per cent of all households in 1999 and alarming disparities in gender as well as between rural and urban areas and governorates.

15. The second five-year plan (2001-2005) stresses poverty reduction as its primary objective. Specifically, it aims to increase annual GDP growth to 5.6 per cent and sets the goal of reducing absolute poverty to . 7 per cent by 2005 and to 17 per cent by 2015, which is in accordance with the United Nations Millennium Summit target. The plan aims to stimulate private-sector investment and promote economic diversification by maximizing potentials in the fishery and tourism sectors.

II. Results and lessons of past cooperation

16. The first CCF for Yemen for 1997 to 2001 was formulated immediately after the initiation of the structural adjustment and the Economic, Financial and Administrative Reform Programme (EFARP). Based on the situation prevailing in the country then, the Government and UNDP agreed to articulate the CCF around four major programme areas: poverty eradication and employment generation; governance capacity and institutional reform; management of natural resources; and disaster management. The CCF also introduced the programme approach and considerably expanded the use of the national execution modality.

17. In addition to the CCF mid-term review held in March 2000, a number of independent technical evaluations and assessments focusing on management arrangements were organized. These included a combined national execution stocktaking, client satisfaction and capacity assessment survey. Together these exercises provided valuable insights into substantive achievements and constraints and highlighted lessons to take into account in preparing and implementing the second CCF.

A. Key results

18. The first CCF achieved significant results at the upstream level. The poverty information monitoring system (PIMS), the labour market information system (LMIS) and the national action plan for poverty eradication (NAPPE) constituted valuable inputs and facilitated the preparation of the IPRSP, the Vision 2025, and the second five-year plan, all of which were directly supported by UNDP. Moreover, the first national human development report (NHDR) prepared by a team of Yemeni experts effectively promoted the concept of human development and contributed to a fundamental policy shift towards poverty reduction. Similarly, in the natural resource management area, UNDP support facilitated the formulation of national policies, such as the national biodiversity strategy, the zoning plan for the biodiversity-rich Socotra archipelago, and the national action plan for combating desertification.

19. Direct project activities with the poor, women in particular, resulted in the development of best practices and a "Yemeni model" for community-based development (CBD). In addition, the micro-start programme that is jointly supported by UNDP and United Nations Capital Development Fund (UNCDF) generated tangible results in terms of building the capacities of four local micro-finance institutions (MFIs) and providing the poor, especially women, with access to credit.

20. In the governance and institutional reform area, the UNDP-supported civil-service survey established a reliable database and helped the Government define the configuration of the civil-service reform programme currently supported by the World Bank and other donors. In decentralization, results were less satisfactory because of delays in approving the local administration law. Shortly after the law was approved, however, UNDP and a joint World Bank/UNCDF mission carried out useful diagnostic work in this area that assessed needs and generated a comprehensive plan of action. UNDP and the Electoral Assistance Division of the United Nations Department of Political Affairs also joined to provide operational and capacity building support to the Supreme Elections Committee (SEC) for the 1999 presidential elections as well as the country's first-ever local council elections held in February 2001.

21. With significant co-financing from the Department for International Development (DFID) of the United Kingdom and technical cooperation from the International Monetary Fund (IMF), UNDP support to the government economic and financial reform programme produced important results. These include: (a) a new government accounting and budgeting system in the Ministry of Finance; (b) a new state debt management and accounting systems at the Central Bank; (c) amendments to the customs law and the introduction of the automated system for customs data management (ASYCUDA) at three pilot locations; (d) reform and automation of the tax system.

22. In terms of disaster management, in spite of delays an institutional framework for coordinating disaster preparedness and mitigation was proposed and agreed to by the Government, and a detailed capacity development programme covering the relevant national authorities has been prepared.

23. In addition to its four major programme areas, several new themes emerged during the first CCF. The first of these, mine action, became a full-fledged multi-donor programme. Accomplishments included: (a) the completion of the level-one impact survey (the first of its kind in the world) and its use in mine action

planning; (b) clearance of 29 mine fields covering over one million square metres and their release for productive purposes; and (c) establishment of an integrated national mine action capability in compliance with international standards. The second new programme theme was that of HIV/AIDS prevention and care. In addition to advocacy and with co-financing from the Joint United Nations Programme on HIV/AIDS (UNAIDS), a survey was conducted in the Sana'a governorate to provide baseline data for the preparation of a national HIV/AIDS strategy and action plan. The third theme that emerged with catalytic support from UNDP and the Office of the High Commissioner for Human Rights (OHCHR) was that of human rights. Two important results in this area were the introduction of a rights-based approach in the CCA and UNDAF exercises and agreement to conduct pilot projects that integrate human rights in the areas of health, education and food security.

24. During the course of the CCF, strong partnerships were forged with other United Nations, bilateral and multilateral organizations, and international NGOs. These partnerships also generated $14.2 million in third-party cost-sharing and trust fund contributions. An excellent example of partnership building and resource mobilization was that of mine action, where the combined efforts of the Government, the UNDP Emergency Response Division (ERD), the United Nations Mine Action Service (UNMAS), and the country office generated strong interest from the international community that resulted in cost-sharing ($2.5 million) and parallel-financing ($3.5 million) contributions from seven donors.

B. Lessons learned

25. Important lessons were drawn from the first CCF, especially with regard to the management aspects of the programme. These include:

(a) The use of national execution needs to be preceded by rigorous capacity assessments, systematic strengthening of substantive and managerial capacities and, at least in a first phase, strong support from the country office to help the Government comply with UNDP financial rules and regulations;

(b) The adoption of a programme approach needs to be accompanied by the setting up of mechanisms to ensure substantive coordination, promote ownership, and generate synergies among the various institutions and funding sources participating in the programme;

(c) Monitoring and evaluation must become a more integral part of the programme through the establishment of measurable benchmarks that are in alignment with the strategic results framework (SRF) and results-oriented annual report (ROAR);

(d) On resource mobilization, attention needs to be given to: expanding opportunities with the current major sources of co-financing to UNDP in Yemen (i.e. the Netherlands and the United Kingdom) as well as with other donors that contributed cost-sharing and trust fund resources to the first CCF (i.e. Canada, Germany, Italy, Japan, Norway, Poland, Sweden and the United States of America); establishing new relations with regional and multilateral financial institutions; and designing a better follow-up system for government cost-sharing;

(e) A strategy to mainstream crosscutting themes – gender in particular – should be more clearly spelled out at the beginning of the next CCF and then systematically integrated into all stages of the programming period.

III. Objectives, programme areas and expected results

26. The overarching goal of the second CCF is to contribute to the government target of reducing extreme poverty to 28.4 per cent by 2005 as a means of improving human development in Yemen. The CCF will also be an important tool to address many of the key issues highlighted in the CCA and to put into operation the recently prepared UNDAF with its three cross-cutting themes: (a) gender equity, with a special focus on rural areas; (b) local governance; and (c) enhanced capacity for policy analysis and programme development.

27. In helping Yemen to achieve its poverty reduction goals and make progress on the UNDAF, the second CCF will build on UNDP strengths and comparative advantages, namely trust, neutrality and an ability to promote policy dialogue, partnership-building, sharing of best international practices, and resource mobilization. The CCF will seek to consolidate achievements and maximize impact through programmes that: (a) address key cross-cutting development challenges identified in national policy papers and the CCA and UNDAF exercises; (b) support human development and human rights policy initiatives

and related downstream interventions; and (c) leverage additional resources, especially in the form of cost-sharing.

28. The second CCF will comprise three interrelated and mutually reinforcing thematic areas. These areas are: (a) poverty reduction; (b) democratic governance; and (c) sustainable natural-resource management.

29. Based on the experience acquired and lessons learned, the following principles will guide the design and implementation of the second CCF:

(a) In supporting policy initiatives, special attention will be given to reducing disparities, increasing participation and making sustainable use of natural resources;

(b) At the field level, interventions will be selected based upon their link to upstream policy support and contribution to pro-poor economic growth;

(c) Capacity-building at the central and local levels will be a primary goal of all programmes, with special attention to gender mainstreaming;

(d) Added emphasis will be placed on identifying and closely monitoring targets and benchmarks to measure the concrete contribution of the CCF to strategic outcomes;

(e) Recognizing the potential of information and communication technology (ICT) to reduce poverty and improve human development, an e-strategy will be prepared that addresses all CCF programme areas. Support will be enlisted from the UNDP regional ICT programme and twining arrangements articulated with ICT institutions in other developing countries known for "best practices";

(f) Attention will be given to expanding further partnerships with Government, Yemeni civil society and private sector, and international donors and NGOs.

A. Poverty reduction

30. Consistent with the high priority placed by the Government on poverty reduction, the objective in this thematic area is to enhance national capacity to sustain policy dialogue on poverty issues, monitor and evaluate poverty reduction policies and ensure their integration into macroeconomic frameworks. At the community level, the focus will be on mobilizing and empowering the poor to improve their access to livelihood opportunities and to participate in decisions affecting their lives.

Pro-poor policies

31. UNDP support to this programme area will centre on the development goals and targets agreed to at the Millennium Summit. In so doing, UNDP will actively collaborate with United Nations system members, especially those in the United Nations Development Group. The involvement of other national and external partners, including the World Bank, the IMF, the Economic and Social Commission for Western Asia (ESCWA) and the German technical cooperation agency GTZ in support of poverty-reduction policies, will also be sought. Key to this coordination will be monitoring progress on the United Nations Millennium Development Goals as well as the implementation of the PRSP. In the area of HIV/AIDS, collaboration will be expanded with United Nations and non-United Nations partners through the HIV/AIDS thematic group.

32. The results expected are:

(a) Strengthening national capacities to analyze and monitor poverty in its various dimensions, making full use of existing databases and information systems;

(b) Producing periodic reports on progress made towards achieving the Millennium Development goals.

(c) Setting up gender-sensitive targets in a participatory manner and consistent with the Millennium Development goals;

(d) Developing strategies and targets for employment generation and technical and vocational training by building on the labour market information management system (LMIS) created under the first CCF;

(e) Publishing NHDRs every two years to help sustain policy dialogue on key development challenges and to build up research and advocacy capacities and networks;

(f) Formulating a national HIV/AIDS strategy and action plan to heighten awareness and address key health and education issues, particularly among high-risk groups.

Expanding community poverty reduction initiatives

33. The emphasis in this programme area will be to promote access by the poor – and women in particular – to productive assets. Direct impact on poverty reduction and linkage to upstream policy interventions

will determine the selection of initiatives. The government Social Development Fund and public works programme, bilateral donors, local community organizations and government institutions, national and international NGOs, and other United Nations organizations, including UNCDF, will be partners in all downstream activities. Qualified organizations will continue to be called on to strengthen the capacities of local micro-finance institutions and private-sector participation will be sought to support micro-finance initiatives and vocational training.

34. The results expected include:

(a) Elaborating a national vision and institutional framework to guide the expansion of community-based, self-help initiatives to new rural and urban areas based on the community-based development (CBD) model set out under the first CCF;

(b) Enhancing the capacities of local communities in terms of needs identification, priority setting and project planning, implementation and monitoring;

(c) Establishing at least eight additional micro-finance institutions to provide sustainable micro-finance services to 35 000 poor people.

B. Democratic governance

35. The objectives in this programme area are to support and assist initiatives that would lead to: (a) the formulation of a local governance framework in support of the country's longer term sustained development agenda; (b) the strengthening of the electoral process to ensure credible, free and fair elections; (c) the introduction of rights-based approaches to development; (d) the strengthening of the government economic and financial reform programme; and; (e) the building up of governmental capacities in disaster management and mine action.

Supporting decentralization

36. Building upon the local administration law, UNDP support will focus on the design and implementation of comprehensive capacity-building packages. Priority will be given to initiatives that establish clear synergies with poverty reduction and natural resource management interventions. UNDP will play a leading role in implementing the local governance programme identified in the UNDAF. Given the complexity and long-term nature of decentralization, broad partnerships will be sought to achieve the necessary critical mass for the programme to have a meaningful impact. UNDP will work closely with UNCDF, the World Bank, Capacity 21 and other partners to introduce innovative local governance schemes through local participatory planning. Linkages will also be established with national institutions, such as the National Institute for Administrative Science (NIAS), to foster the capacity building of local governance and civil-society organizations. South-South cooperation opportunities will also be systematically explored.

37. The results expected include:

(a) Creating a comprehensive decentralization framework that clarifies the respective roles of local and central government, including a monitoring system that assesses progress in decentralization and disseminates information in order to enhance transparency and accountability;

(b) Greater public understanding of decentralization and peoples' participation through advocacy, awareness raising, policy dialogue, women's empowerment and participatory processes at local and central levels;

(c) Introducing regional planning in a selected number of governorates as a tool for building up stakeholder capacities in programme design, implementation and monitoring, and in testing approaches for policy design and replication elsewhere in the country.

Strengthening the electoral process

38. Building upon the experience acquired during the first CCF, this programme area will aim to build a sustainable institutional capacity to organize and deliver credible, free and fair elections. Collaboration with the United Nations Electoral Assistance Division will be reinforced to strengthen the country's electoral process, especially in light of the parliamentary and local elections scheduled for April 2003. Strong collaboration with other partners – such as the International Foundation for Election Systems (IFES) and the international community present in Yemen, including the European Union – will be encouraged. Cooperation with other developing countries with electoral experience, including India and Turkey, will also be explored.

39. Expected results are:

(a) A restructured and decentralized Supreme Elections Committee (SEC), including branch offices in 20 governorates;

(b) An updated and automated voter registry and newly defined electoral constituency boundaries.

Promoting human rights and justice

40. The second CCF will seek to expand national capacities to protect and promote human rights, including gender equity. Special emphasis will be placed on introducing a rights-based approach to development. Mainstreaming human rights into development through capacity-building support to governmental and non-governmental organizations, setting targets, and establishing monitoring systems will be given priority and addressed both at the central and local levels. The joint programme for human rights strengthening (HURIST) supported by UNDP and the OHCHR, and support from other United Nations agencies and local and international NGOs – will help mainstream human rights into development approaches. The importance of the justice sector in terms of democratic governance will first be addressed by carrying out a comprehensive study and action plan and identifying appropriate entry points for UNDP and other development partners. In addition to the Government, key partners in this area would include the OHCHR, the Netherlands, the World Bank and NGOs. A closer relationship will also be forged with UNIFEM to ensure the integration of gender issues in all phases of the CCF programming period.

41. Expected results in this programme area include:

(a) Developing methodologies and training packages to incorporate rights-based approaches into relevant policies and strategies;

(b) Establishing human rights, including gender-sensitive, indicators for programme monitoring and evaluation;

(c) Strengthening the capacities of civil-society organizations and government institutions, especially the newly created Ministry of State for Human Rights Affairs;

(d) Performing a comprehensive assessment of needs in the justice sector and setting up an action plan that identifies key issues and entry points for UNDP and other partners;

(e) Developing and putting into practice a national gender-mainstreaming strategy and action plan.

Strengthening economic management

42. UNDP will continue its capacity-building support to the Ministry of Finance and the Central Bank through a programme that will highlight the links between growth and equity and the impact of macro-economic policies on poverty reduction. The IMF and DFID will continue to be important partners, especially with regard to decentralized financial administration, and the United Nations Conference on Trade and Development (UNCTAD) will be called upon to provide additional support in the areas of customs modernization and public debt management.

43. The expected results include:

(a) Establishing a computer-assisted budget preparation and monitoring system that functions countrywide;

(b) Strengthening the capacity of national finance institutions to compile, analyse and disseminate reliable and timely national accounts, price data and foreign trade information;

(c) Introducing a general sales tax (GST);

(d) Ensuring that the Large Taxpayer Unit is fully operational and new computer systems are introduced to track non-complying taxpayers;

(e) Expanding ASYCUDA to cover all ports and customs locations in Yemen;

(f) Establishing a debt management and financial analysis system (DMFAS) that links the Central Bank, the Ministry of Finance, and the Ministry of Planning and Development.

Reducing vulnerabilities

44. This programme area embraces two components: disaster management and mine action. Natural and human-triggered hazards and risks represent an additional challenge to the country's development. UNDP support to disaster management will address the country's considerable capacity-building requirements, especially at the national level. In terms of mine action, and based on the results of the level-one impact survey, UNDP collaboration will shift to mine clearance in high-impact areas, mine awareness and victim assistance and will strengthen further the planning,

coordination and management capacities of the national mine action programme. In terms of partnerships, in the area of disaster management, the existing collaboration with the Institute for Disaster Risk Management (IDRM) will be strengthened and new partnerships with international NGOs working in this field will be established. In terms of mine action, the network set up during the first phase with international donors, international NGOs (including Radda Barnen, Handicap International, and Movimondo), UNMAS, and the UN Office of Project Services (UNOPS) will be strengthened and efforts will be undertaken to mobilize additional resources from regional funds.

45. Expected results include:

(a) The establishment of a disaster management authority and the development of its capacities in disaster prevention, preparedness, response and recovery;

(b) The setting up of a national disaster risk management plan, information system and emergency operations centre;

(c) Reduced cases of death and injury as a result of mine explosions and the release of 55 million square metres of additional land for safe agricultural development;

(d) Destruction of the country's remaining mine stockpiles and compliance with reporting obligations as stipulated under the Ottawa Treaty to Ban Landmines;

(e) The creation of a sustainable national management structure capable of planning, managing and coordinating the national mine action programme.

C. Sustainable natural resource management

46. The prime objective of the CCF in this thematic area will be to promote the integration of environmental management with national development policies and programmes. Support will also be provided to assist national authorities implement a wide range of international conventions and instruments. Work in this area will also encompass protecting and regenerating the environment and enhancing people's awareness and participation. The existing partnership relations with the Governments of Italy, the Netherlands and Poland will be further reinforced and strategic collaboration with the Global Environment Facility (GEF), Capacity 21, the International Fund for Agricultural Development (IFAD) and the European Union, as well as with France, the Czech Republic and other governments will be pursued. The Office to Combat Desertification and Drought (UNSO) and the Food and Agriculture Organization of the United Nations (FAO) will be called on to support the capacity building of a national coordinating body in dry lands management. In addition, relevant experiences from other countries will be sought under the technical cooperation among developing countries (TCDC) arrangements.

47. The results expected include:

(a) An updated national environmental action plan (NEAP) to identify emerging threats to the environment, priority areas and required actions for sustainable resource management and more equitable access to natural resources;

(b) The improvement of water planning and regulatory capacities at central and local levels with clear delineation of institutional responsibilities;

(c) Strengthened capacity to fulfil commitments to global conventions, especially climate change and biodiversity, with the capacity of the Environment Protection Authority (EPA) improved in policy formulation, monitoring and law enforcement;

(d) The full management of the Socotra protected area by local and national authorities and the establishment of a biodiversity conservation fund in partnership with the Government and key donors;

(e) The promotion of environmental awareness among civil society with particular focus on water, including traditional conservation methods;

(f) The implementation of a national strategy and pilot experiments to promote non-conventional sources of energy and energy efficiency;

(g) The setting up of an integrated programme for protected areas in operation;

(h) Reform of the legal framework to enhance local capacities for more equitable access to natural resources and better integration of natural resource priorities in local development plans.

IV. Management arrangements

48. National execution will continue to be regarded as a means of enhancing ownership and self-reliance. The exact configuration of national execution

arrangements will be determined following capacity assessments of national institutions. The results of the national execution stocktaking exercise undertaken in 2000 will be capitalized on for the design of an initiative to strengthen national substantive and managerial capacities. Systematic support from the country office will also be required to ensure compliance with financial rules and regulations. In this context, a country-specific national execution manual and an accounting package will be developed to complement training workshops for programme personnel and staff of the government coordinating authority.

49. Past experience has reaffirmed the merits of the programme approach in providing a framework for overall coherence, donor coordination and resource mobilization. Measures will therefore be taken to ensure that this approach goes beyond the clustering of sub-programmes and projects. The setting up of permanent mechanisms for systematic information exchange and synergies among national institutions and funding partners, together with the reinforcement of national institutions, will be given priority. As noted above, in the past two years, there have been significant achievements in formulating policies and strategies and in establishing appropriate information systems. UNDP will help put these systems into full operation and strengthen the oversight capacity of the Ministry of Planning and Development (MOPD) so that it can assume the leadership role in this process. The broadly representational UNDAF Oversight Committee under the chairmanship of the MOPD is expected to provide an effective forum for coordination, advocacy and resource mobilization.

50. The newly rolled out result-based management tools will be fully and systematically integrated into the working procedures of the country office. Moreover, counterpart staff will be trained to monitor performance and document lessons learned.

51. All programmes will be subject to UNDP monitoring and evaluation policies and procedures. A mid-term review of the second CCF will be carried out with the participation of all stakeholders. Yearly portfolio reviews will also be organized for the CCF programme areas. To the extent possible, these reviews will be undertaken with those of other United Nations organizations in the context of the UNDAF.

52. To ensure high-quality programmes and upstream advisory services, the second CCF envisages frequent access to the accumulated knowledge, capacities and expertise available from United Nations organizations and from the sub-regional resource facility network. The use of international United Nations Volunteers (UNV) volunteers and the introduction of a national UNV scheme will be strongly promoted as a cost-effective means to enhance capacities and promote sustainability. The sharing of relevant experiences among developing countries will also be encouraged through the TCDC modality.

53. Although substantial resources were mobilized during the first CCF, efforts were not carried out in a systematic manner because of the absence of a clear strategy, a strong project pipeline and promotional tools, such as a web site, newsletters and brochures. In addition to UNDP regular resources and thematic trust funds, greater attention will be paid to preparing and implementing resource mobilization and communication strategies during the second CCF.

Annex

Resource mobilization target table for Yemen (2002-2006)

Source	*Amount (In thousands of United States dollars)*	*Comments*
UNDP regular resources		
Estimated carry-over	4 435	Indicate carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	15 072	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	700	
SPPD/STS	657	
Subtotal	**20 864**[a]	
UNDP other resources		
Government cost-sharing	2 500	
Third-party cost-sharing	17 600	
Funds, trust funds and other	12 500	
	of which:	
GEF	8 000	
UNCDF	4 000	Of this amount, $2 million are subject to the release of carry-over funds earmarked for Yemen in 2000 and the other $2 million are subject to the availability of non-core resources that could supplement available core resources earmarked for that programme.
Capacity 21	400	
UNSO	100	
Subtotal	**32 600**	
Grand total	**53 464**[a]	

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.
Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNDAF = United Nations Development Assistance Framework; UNSO = Office to Combat Desertification and Drought.